

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF STATE COMMUNICATIONS,)	
INC. FOR A CERTIFICATE OF AUTHORITY TO) CASE NO. 97-526
PROVIDE LOCAL EXCHANGE SERVICES)
WITHIN THE COMMONWEALTH OF KENTUCKY)

ORDER

On December 29, 1997, State Communications, Inc. ("State Communications") filed an application with the Commission seeking a Certificate of Public Convenience and Necessity to provide intrastate telecommunications services within the Commonwealth of Kentucky. State Communications is a South Carolina corporation with its principal office in Greenville, South Carolina.

State Communications seeks authority to provide intrastate telecommunications services throughout the Commonwealth of Kentucky. State Communications plans to provide resold local exchange services and long-distance telecommunications services.

State Communications requests a deviation from 807 KAR 5:061, Section 5, entitled "Directories". The Commission finds, good cause having been shown, that a deviation from 807 KAR 5:061, Section 5, should be granted and that State Communications will arrange for its customers' telephone numbers to be published in the incumbent local exchange carrier's directory. In addition, State Communications requests a waiver from maintaining financial records in conformance with the Uniform System of Accounts ("USoA"). The

Commission further finds that maintaining financial records in accordance with Generally Accepted Accounting Principles as opposed to USoA is acceptable.

On December 29, 1997, State Communications submitted a proposed tariff. On February 9, 1998, State Communications submitted revised tariff sheets. The tariff is pending Commission review.

Pursuant to Section 253 of the Telecommunications Act of 1996, State Communications may not offer local exchange service until it completes negotiations with incumbent local exchange carriers and the resulting agreements have been submitted to and approved by the Commission. On January 22, 1998, BellSouth Telecommunications, Inc. filed State Communications' agreement for Commission review. It is pending in Case No. 98-052.¹

State Communications has demonstrated its financial, managerial, and technical capability to provide utility service. The Commission finds that State Communications should be authorized to provide intrastate telecommunications services within the Commonwealth of Kentucky, as described in this Order and State Communications' application.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, HEREBY ORDERS that:

1. State Communications is granted authority to provide intrastate telecommunications services within the Commonwealth of Kentucky.

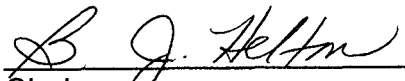
¹ Case No. 98-052, The Resale Agreement Negotiated by BellSouth Telecommunications, Inc. and State Communications, Inc. Pursuant to Sections 251 and 252 of the Telecommunications Act of 1996.

2. State Communications may not provide service until the Commission has approved its proposed tariff pursuant to 807 KAR 5:011.

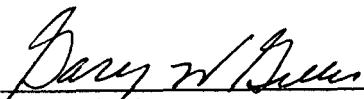
3. The motion for waivers as set forth herein shall be granted.

Done at Frankfort, Kentucky, this 2nd day of March, 1998.

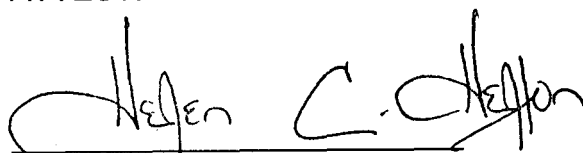
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director